

SEWELL & RIGGS
A PROFESSIONAL CORPORATION
333 CLAY AVENUE
SUITE 800
HOUSTON, TEXAS 77002-4086

2-093A002

March 30, 1992 • 17763

TELEPHONE (713) 652-8700
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TELEX 77-5564

Interstate Commerce Commission
12th and Constitution Avenue
Room 2303
Washington, D.C. 20423

APR 1 1992 - 3 10 PM

INTERSTATE COMMERCE COMMISSION

Attention: Ms. Mildred Lee:

RE: Recordation Request for Security Agreement and Chattel
Mortgage; JAMES C. GRAVES LIVING TRUST and JAMES C.
GRAVES; Sewell & Riggs File No. 56715/1012

Dear Ms. Lee:

I have enclosed two (2) originals of the document described
below, to be recorded pursuant to Section 11303 of Title 49 of the
U.S. Code.

This document is a Security Agreement and Chattel Mortgage, a
primary document, dated March 23, 1992.

The names and addresses of the parties to the documents are as
follows:

Debtor: James C. Graves Living Trust
and James C. Graves
10077 Grogan's Mill Road, Suite 450
The Woodlands, Texas 77380

Secured Party: BANK ONE, TEXAS, N.A.
910 Travis
Houston, Texas 77002

A description of the equipment covered by the document
follows:

Seventy-Three (73) Railroad Tank cars described as follows:

CAR INIT	CAR NUMBER	TOT GALLON CAPACITY	SPECIFICATION	DESCRIPTION
GLNX	24130	23592	111A100W3	23.5M EC4FI GP TANK
GLNX	24131	23604	111A100W3	23.5M EC4FI GP TANK
GLNX	24132	23579	111A100W3	23.5M EC4FI GP TANK
GLNX	24133	23578	111A100W3	23.5M EC4FI GP TANK
GLNX	24134	23567	111A100W3	23.5M EC4FI GP TANK
GLNX	24135	23586	111A100W3	23.5M EC4FI GP TANK
GLNX	24136	23590	111A100W3	23.5M EC4FI GP TANK

GLNX	24137	23562	111A100W3	23.5M EC4FI GP TANK
GLNX	24138	23597	111A100W3	23.5M EC4FI GP TANK
GLNX	24139	23554	111A100W3	23.5M EC4FI GP TANK
GLNX	24140	23617	111A100W3	23.5M EC4FI GP TANK
GLNX	24141	23591	111A100W3	23.5M EC4FI GP TANK
GLNX	24142	23583	111A100W3	23.5M EC4FI GP TANK
GLNX	24143	23499	111A100W3	23.5M EC4FI GP TANK
GLNX	24144	23574	111A100W3	23.5M EC4FI GP TANK
GLNX	24145	23573	111A100W3	23.5M EC4FI GP TANK
GLNX	24146	23565	111A100W3	23.5M EC4FI GP TANK
GLNX	24147	23746	111A100W3	23.5M EC4FI GP TANK
GLNX	24148	23572	111A100W3	23.5M EC4FI GP TANK
GLNX	24150	23600	111A100W3	23.5M EC4FI GP TANK
GLNX	24151	23577	111A100W3	23.5M EC4FI GP TANK
GLNX	24152	23654	111A100W3	23.5M EC4FI GP TANK
GLNX	24153	23491	111A100W3	23.5M EC4FI GP TANK
GLNX	24154	23596	111A100W3	23.5M EC4FI GP TANK
GLNX	24155	23630	111A100W3	23.5M EC4FI GP TANK
GLNX	24156	23495	111A100W3	23.5M EC4FI GP TANK
GLNX	24157	23607	111A100W3	23.5M EC4FI GP TANK
GLNX	24158	23501	111A100W3	23.5M EC4FI GP TANK
GLNX	24159	23570	111A100W3	23.5M EC4FI GP TANK
GLNX	24160	23594	111A100W3	23.5M EC4FI GP TANK
GLNX	24162	23602	111A100W3	23.5M EC4FI GP TANK
GLNX	24163	23605	111A100W3	23.5M EC4FI GP TANK
GLNX	24164	23557	111A100W3	23.5M EC4FI GP TANK
GLNX	24165	23471	111A100W3	23.5M EC4FI GP TANK
GLNX	24166	23585	111A100W3	23.5M EC4FI GP TANK
GLNX	24167	23629	111A100W3	23.5M EC4FI GP TANK
GLNX	24168	23682	111A100W3	23.5M EC4FI GP TANK
GLNX	24169	23583	111A100W3	23.5M EC4FI GP TANK
GLNX	24170	23628	111A100W3	23.5M EC4FI GP TANK
GLNX	24171	23613	111A100W3	23.5M EC4FI GP TANK
GLNX	24172	23559	111A100W3	23.5M EC4FI GP TANK
GLNX	24173	23553	111A100W3	23.5M EC4FI GP TANK
GLNX	24174	23554	111A100W3	23.5M EC4FI GP TANK
GLNX	24175	23500	111A100W3	23.5M EC4FI GP TANK
GLNX	24176	23540	111A100W3	23.5M EC4FI GP TANK
GLNX	24177	23580	111A100W3	23.5M EC4FI GP TANK
GLNX	24178	23560	111A100W3	23.5M EC4FI GP TANK
GLNX	24179	23553	111A100W3	23.5M EC4FI GP TANK
ARGX	834033	5250	LO - 5250	100T HOP
ARGX	834065	5250	LO - 5250	100T HOP
ARGX	834076	5250	LO - 5250	100T HOP
ARGX	834091	5250	LO - 5250	100T HOP
ARGX	834101	5250	LO - 5250	100T HOP
ARGX	834103	5250	LO - 5250	100T HOP
ARGX	834118	5250	LO - 5250	100T HOP
GLNX	288	34046	105J300W	34M GAL PRESSURE (HEAD BLOCK)
GLNX	290	34032	105J300W	34M GAL PRESSURE (HEAD BLOCK)
GLNX	346	34022	105J300W	34M GAL PRESSURE (HEAD BLOCK)
GLNX	3560	23661	111A100W3	23.5M EC4FI GP TANK
GLNX	21049	20949	111A100W1	20.8M ICNI GP TANK
GLNX	32014	32776	112J340W	32.7M NI PRESSURE
GLNX	32500	34062	112J340W	34M GAL NI PRESSURE
GLNX	32505	34051	112J340W	34M GAL NI PRESSURE
GLNX	33504	33680	112J400W	34M PRESS TANK NI
GLNX	33506	33680	112J400W	34M PRESS TANK NI
GLNX	21031	20946	111A100W1	20.8M ICNI GP TANK
GLNX	21032	20941	111A100W1	20.8M ICNI GP TANK
GLNX	21033	20948	111A100W1	20.8M ICNI GP TANK
GLNX	21037	20935	111A100W1	20.8M ICNI GP TANK
GLNX	24000	23642	111A100W3	23.5M EC4FI GP TANK
GLNX	24001	23633	111A100W3	23.5M EC4FI GP TANK

GLNX	33305	33981	105J300W	34M GAL PRESSURE (HEAD BLOCK)
GLNX	34034	33611	105J300W	34M GAL PRESSURE (HEAD BLOCK)

A fee of \$16.00 is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to Robert W. Bramlette, Sewell & Riggs, 333 Clay Ave., Suite 800, Houston, Texas 77002.

A short summary of the document to appear in the index follows:

Security Agreement and Chattel Mortgage between James C. Graves Living Trust and James C. Graves, 10077 Grogan's Mill Road, Suite 450, The Woodlands, Texas 77380 ("Debtor") and BANK ONE, TEXAS, N.A., 910 Travis, Houston, Texas 77002 ("Secured Party") dated March 23, 1992, and covering seventy-three (73) Railroad Tank Cars.

Very Truly yours,

SEWELL & RIGGS



Robert W. Bramlette

H:\USERS\SEDWARDS\GRAVES.31
03/26/92

cc: Mr. Warner W. Abel, Jr.
10077 Grogan's Mill Road, Suite 450
The Woodlands, Texas 77380

Ms. Teresa Bosco
BANK ONE, TEXAS, N.A.
910 Travis, Second Floor
Houston, Texas 77002

Interstate Commerce Commission
Washington, D.C. 20423

4/2/92

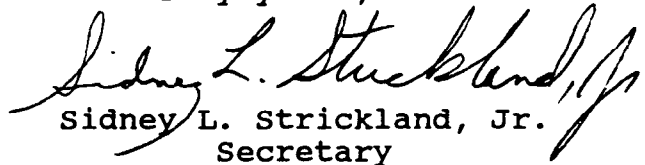
OFFICE OF THE SECRETARY

Robert W. Bramlette
Sewell & Riggs
333 Clay Avenue. Suite 800
Houston, Texas 77002

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 4/1/92 at 3:10pm, and assigned recordation number(s). 17763,12724-C & 9685-J

Sincerely yours,


Sidney L. Strickland, Jr.
Secretary

17763
RECORDING NO. _____ FILED 1425
APR 1 1992 -3 10 PM
INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT AND CHATTEL MORTGAGE

JAMES C. GRAVES LIVING TRUST and JAMES C. GRAVES, 10077 Grogan's Mill Road, Suite 450, The Woodlands, Texas 77380 hereinafter called "Debtor", and BANK ONE, TEXAS, N.A., 910 Travis, Houston, Texas, 77002, hereinafter called "Secured Party", agree as follows:

SECTION I. CREATION OF SECURITY INTEREST

Debtor hereby grants to Secured Party a security interest in and a Chattel Mortgage on the Collateral described in Section II of this Security Agreement to secure performance and payment of (i) that certain promissory note ("Note") dated March 23, 1992, in the original principal amount of \$1,130,000.00 executed by the Debtor payable to the order of Secured Party, bearing interest and being payable in the manner provided therein; (ii) all renewals and extensions of the Note.

SECTION II. COLLATERAL

(1) The Collateral of this Security Agreement is (i) forty-eight (48) railroad tank cars owned by James C. Graves Living Trust, described more fully on Schedule A-1 which is attached hereto and made a part hereof, (ii) seventeen (17) railroad tank cars owned by James C. Graves Living Trust, described more fully on Schedule A-2 which is attached hereto, and (iii) eight (8) railroad tank cars owned by GLNX Corporation, described more fully on Schedule A-3 which is attached hereto, and all additions and

accessions thereto, and proceeds thereof. The inclusion of proceeds in this Security Agreement does not authorize Debtor to sell, dispose of or otherwise use the Collateral in any manner not specifically authorized by this agreement. So long as no Event of Default has occurred and is continuing, nothing herein shall prohibit (i) the Debtor from performing the Management Agreement effective as of the 23rd day of March, 1992, between James C. Graves Living Trust and GLNX Corporation ("GLNX"), the Management Agreement dated January 1, 1992, between James C. Graves Living Trust and GLNX, and the Management Agreement dated February 15, 1992, between James C. Graves Living Trust and Associated Railcar, Inc., (hereinafter collectively referred to as, "Management Agreement") or (ii) Debtor or GLNX from performing its obligations under existing lease agreements or from executing and performing additional lease agreements covering the Collateral (all such lease agreements being referred to herein as "Lease Agreements").

(2) Debtor shall be entitled to a partial release of individual railroad cars upon disposition thereof by Debtor to third parties upon payment to Secured Party of:

(a) With respect to cars listed on Schedule A-1, a payment equal to one hundred percent (100%) of the value listed on the Release Price Letter (herein defined) for Schedule A-1 cars.

(b) With respect to cars listed on Schedule A-2, a payment equal to fifty percent (50%) of the value listed on the Release Price Letter for Schedule A-2 cars.

(c) With respect to cars listed on Schedule A-3, a payment equal to fifty percent (50%) of the value listed on the Release Price Letter for Schedule A-3 cars.

(3) Debtor shall be entitled to obtain a partial release of individual railroad cars upon prepayments of principal as follows:

(a) With respect to a voluntary unscheduled principal prepayment which is not the result of sale, disposition or destruction of a part of the Collateral, Debtor shall be entitled to a release of one or more of the cars listed on Schedule A-2 or Schedule A-3 at 100% of the Release Price shown on the Release Price Letter for such cars based upon the principal amount prepaid multiplied by two (2).

(b) With respect to a principal payment as a result of the sale, disposition or destruction of Schedule A-1 cars, Debtor shall be entitled to a release of one or more cars listed on Schedule A-2 or Schedule A-3 at 100% of the Release Price shown on the Release Price Letter for such cars based upon the principal amount prepaid.

(4) The releases of cars listed on Schedule A-2 and Schedule A-3 to which Debtor is entitled pursuant to paragraphs (2) and (3) immediately above are expressly conditioned upon Lender determining, in its sole discretion, that the following conditions have been satisfied:

(a) Debtor shall have provided to Secured Party a current opinion (not more than twelve (12) months old) of the value of all the railroad cars which are collateral for the Note from an appraiser satisfactory to Secured Party indicating that principal balance of the Note is not more than 50% of the value of the collateral remaining after the release.

(b) The average monthly rental rate for the railroad cars shown on Schedule A-1 shall not be less \$475 per car.

(c) The combined financial condition of Debtor has not deteriorated in any material respect.

(d) The financial quality of the lessees of the railroad cars listed on Schedule A-1 has not deteriorated to an extent that would reduce the likelihood of lessees performance of the leases.

(e) No adverse condition shall have arisen which materially affects the value of the Collateral of this Agreement or Secured Party's rights hereunder.

(5) As used herein, the term "Release Price Letter" shall mean that certain letter dated of even date herewith, executed by and among Secured Party, Debtor and GLNX and setting forth the release prices of the various railroad cars included within the Collateral of this Agreement.

SECTION III. PAYMENT OF OBLIGATIONS OF DEBTOR

(1) Debtor shall pay to Secured Party any sum or sums due or which may become due pursuant to the Note or any other promissory note or notes now or hereafter executed by Debtor to evidence Debtor's indebtedness to Secured Party, in accordance with the terms of such Note or other promissory note or notes and the terms of this Security Agreement.

(2) Debtor shall pay to Secured Party on demand all expenses and expenditures, including reasonable attorneys' fees and other legal expenses incurred or paid by Secured Party in exercising or protecting its interests, rights and remedies under this Security Agreement, plus interest thereon at the maximum rate permitted by law with respect to Debtor. It is the intention of the Debtor and the Secured Party to contract in strict compliance with the usury laws of the State of Texas from time to time in effect. In furtherance thereof, the Debtor and the Secured Party stipulate and agree that none of the terms and provisions contained in this

Agreement or the Note shall ever be construed to create a contract to pay interest for the use, forbearance or detention of money at a rate in excess of the maximum interest rate permitted to be charged by the laws of the State of Texas from time to time in effect. In the event the Secured Party shall collect monies which are deemed to constitute interest which would otherwise increase the effective rate on the Note to a rate in excess of that permitted to be charged by the laws of the State of Texas then in effect, all such sums deemed to constitute interest in excess of the legal rate shall be immediately returned to the Debtor upon such determination.

(3) Debtor shall pay immediately, without notice, the entire unpaid indebtedness of Debtor to Secured Party, whether created or incurred pursuant to this Security Agreement or otherwise, upon Debtor's default under Section V of this Security Agreement.

SECTION IV. DEBTOR'S REPRESENTATIONS, WARRANTIES AND AGREEMENT

Debtor represents, warrants and agrees that: (1) All information supplied and statements made by Debtor in any financial, credit or accounting statement or application for credit prior to, contemporaneously with or subsequent to the execution of this Security Agreement are and shall be true, correct, complete, valid and genuine.

(2) No Financing Statement, Security Agreement or Chattel Mortgage covering the Collateral or its proceeds is on file in any public office; except for the security interest granted in this Security Agreement, there is no lien, security interest or encumbrance in or on the Collateral; and Debtor is the owner of the Collateral.

(3) The chief place of business of Debtor is the address shown at the beginning of this agreement. Debtor will immediately notify Secured Party in writing of any change in Debtor's chief place of business.

(4) If certificates of title are issued or outstanding or become issued and outstanding with respect to any of the Collateral, Debtor will cause the interest of Secured Party to be properly noted thereon.

(5) The Collateral will be used primarily for business use, unless Secured Party consents in writing to another use.

(6) The Collateral will not be misused or abused, wasted or allowed to deteriorate, except for the ordinary wear and tear of its intended primary use, and will not be used in violation of any statute or ordinance.

(7) Debtor will have and maintain or cause GLNX to maintain insurance at all times with respect to all Collateral against risks of fire, theft and such other risks as GLNX shall maintain on its

railcar fleet, but, in any event those covered by the policies described in the Management Agreement. Such insurance policies shall contain such terms, be in a form, for a period and be written by companies satisfactory to Secured Party. Such insurance policies shall also contain a standard mortgagee's endorsement providing for payment of any loss to Secured Party. All policies of insurance shall provide for ten days written minimum cancellation notice to Secured Party. Debtor shall furnish Secured Party with certificates or other evidence satisfactory to Secured Party of compliance with the foregoing insurance provisions. Secured Party may act as attorney for Debtor in obtaining, adjusting, settling and cancelling such insurance and endorsing any drafts drawn by insurers of the Collateral. In the event of a casualty loss in the absence of an Event of Default, Debtor shall have the right to utilize the proceeds of insurance to either (i) repair the car or cars to which the loss relates subject to such disbursement restrictions as Secured Party may reasonably impose or (ii) apply the proceeds to the Note. Should the loss occur while an Event of Default exists, the proceeds shall be applied to the Note. Secured Party may apply any proceeds of such insurance which may be received by it in payment on account of the obligations secured hereby, whether due or not.

(8) Except as provided in Section II hereof, the Collateral will not be sold, transferred or disposed of by Debtor or be subjected to any unpaid charge, including rent and taxes, or to any subsequent interest of a third person created or suffered by Debtor voluntarily or involuntarily provided that such limitation shall not apply to ad valorem taxes or mechanics liens for repairs to the Collateral so long as such amounts are not yet due and payable or are being diligently contested by appropriate proceedings, unless Secured Party consents in advance in writing to such sale, transfer, disposition, charge, or subsequent interest.

(9) Debtor will sign and execute alone or with Secured Party any Financing Statement or other document or procure any document, and pay all connected costs, necessary to protect the security interests, rights and remedies created by, provided in or emanating from this Security Agreement.

(10) Debtor will, at its own expense, do, make, procure, execute and deliver all acts, things, writing and assurances as Secured Party may at any time request to protect, assure or enforce its interests, rights and remedies created by, provided in or emanating from this Security Agreement.

(11) Debtor will not lend, rent, lease or otherwise dispose of the Collateral or any interest therein except as authorized in this Security Agreement or in writing by Secured Party, and Debtor shall

keep the Collateral, including the proceeds from any disposition thereof, free from unpaid charges, including taxes, and from liens, encumbrances, and security interests other than that of Secured Party or otherwise permitted hereunder.

(12) Debtor agrees that there shall be plainly, distinctly, permanently and conspicuously stenciled upon each side of each unit of the Collateral, the following words, in letters not less than one inch in height:

THIS CAR IS SUBJECT TO A SECURITY AGREEMENT AND CHATTEL MORTGAGE RECORDED UNDER THE UNIFORM COMMERCIAL CODE OF THE STATE OF TEXAS AND UNDER SECTION 20C OF THE INTER-STATE COMMERCE ACT

SECTION V. EVENTS OF DEFAULT

Debtor shall be in default under this Security Agreement upon the happening of any of the following events or conditions (herein called an "Event of Default"):

(1) Debtor's failure to pay when due any indebtedness secured by this Security Agreement, either principal or interest.

(2) Default by Debtor in the punctual performance of any of the obligations, covenants, terms or provisions contained or referred to in this Security Agreement or in any note secured hereby.

(3) Any warranty, representation, or statement contained in this Security Agreement or made or furnished to Secured Party by or on behalf of Debtor in connection with this Security Agreement

or to induce Secured Party to make a loan to Debtor proves to have been false in any respect when made or furnished or becomes false while any indebtedness secured hereby is outstanding.

(4) Loss, theft, substantial damage, destruction, sale or encumbrance of or to any of the Collateral and failure to apply the proceeds of insurance in accordance with the terms hereof, or the making of any levy, seizure or attachment thereof or thereon.

(5) Debtor's insolvency or business failure; the appointment of a receiver of all or any part of the property of Debtor; an assignment for the benefit of creditors of Debtor; the calling of a meeting of creditors of Debtor; or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Debtor.

(6) Any statement of the financial condition of Debtor to Secured Party submitted to Secured Party by Debtor proves to be false in any material respect.

SECTION VI. SECURED PARTY'S RIGHTS AND REMEDIES

A. Rights exclusive of Default.

(1) This Security Agreement, Secured Party's rights hereunder or the indebtedness hereby secured may be assigned from time to time, and in any such case the Assignee shall be entitled to all of the rights, privileges and remedies granted in this Security Agreement to Secured Party, and Debtor will assert no claims or

defenses he may have against Secured Party against the Assignee, except those granted in this Security Agreement.

(2) Secured Party may enter upon (i) Debtor's premises at any reasonable time to inspect Debtor's books and records pertaining to the Collateral, and (ii) Debtor shall assist Secured Party in making any such inspection.

(3) Secured Party may execute, sign, endorse, transfer or deliver in the name of Debtor notes, checks, drafts or other instruments for the payment of money and receipts, certificates of origin, applications for certificates of title or any other documents necessary to evidence, perfect or realize upon the security interest and obligations created by this Security Agreement.

(4) At its option, Secured Party may discharge taxes, liens or security interests or other encumbrances at any time levied or placed on the Collateral, may pay for insurance on the Collateral and may pay for the maintenance and preservation of the Collateral. Debtor agrees to reimburse Secured Party on demand for any payment made, or expense incurred by Secured Party pursuant to the foregoing authorization, plus interest thereon at the maximum rate permitted by law with respect to Debtor.

B. Rights in Event of Default.

(1) Upon the occurrence of an Event of Default, and at any time thereafter, Secured Party may declare all obligations secured hereby immediately due and payable and shall have the rights and remedies of a Secured Party under the Uniform Commercial Code of Texas, including without limitation thereto, the right to sell, lease or otherwise dispose of any or all of the Collateral and the right to take possession of the Collateral, and for that purpose Secured Party may enter upon any premises on which the Collateral or any part thereof may be situated and remove the Collateral and make it available to Secured Party at a place to be designated by Secured Party which is reasonably convenient to both parties. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Secured Party will send Debtor reasonable notice of the time and place of any public sale thereof or of the time after which any private sale or other disposition thereof is to be made. The requirement of sending reasonable notice shall be met if such notice is mailed, postage prepaid, to Debtor at the address designated at the beginning of this Security Agreement at least fifteen (15) days before the time of the sale or disposition. Expenses of retaking, holding, preparing for sale, selling or the like shall include Secured Party's reasonable attorneys' fees and

legal expenses, plus interest thereon at the maximum rate permitted by law with respect to Debtor. Debtor shall remain liable for any deficiency.

(2) Secured Party may remedy any default and may waive any default without waiving the default remedied or without waiving any other prior or subsequent default.

(3) The remedies of Secured Party hereunder are cumulative, and the exercise of any one or more of the remedies provided for herein shall not be construed as a waiver of any of the other remedies of Secured Party.

SECTION VII. ADDITIONAL AGREEMENTS

(1) "Secured Party" and "Debtor" as used in this instrument include the heirs, executors or administrators, successors, representatives, receivers, trustees and assigns of those parties.

(2) The section headings appearing in this instrument have been inserted for convenience only and shall be given no substantive meaning or significance whatever in construing the terms and provisions of this instrument. Terms used in this instrument which are defined in the Texas Uniform Commercial Code are used with the meanings as therein defined.

(3) The law governing this secured transaction shall be that of the State of Texas in force at the date of this instrument.

EXECUTED this the 23rd day of March, 1992.

Debtor:

James C. Graves Trustee
JAMES C. GRAVES, Trustee for the
JAMES C. GRAVES LIVING TRUST
James C. Graves
JAMES C. GRAVES

Secured Party:

BANK ONE, TEXAS, N.A.

By Teresa Bosco
Name: TERESA BOSCO
Title: ASSISTANT VICE PRESIDENT

THE STATE OF TEXAS
COUNTY OF HARRIS

§
§
§

This instrument was acknowledged before me on the 23rd day of March, 1992, by JAMES C. GRAVES, Trustee for the JAMES C. GRAVES LIVING TRUST.



Sarah MacDonald-Smith
Notary Public in and for
the State of Texas
Sarah MacDonald-Smith
Printed Name of Notary

My Commission Expires: 8-15-92

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on the 23rd day of March, 1992, by JAMES C. GRAVES.



Sarah MacDonald-Smith
Notary Public in and for
the State of Texas

Sarah MacDonald-Smith
Printed Name of Notary

My Commission Expires: 8-15-92

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared Jersey 1992
Amstutz Vice President, of BANK ONE, TEXAS, N.A., known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that the same was the free act and deed of the said BANK ONE, TEXAS, N.A., a national banking association, and that he executed the same as his free and voluntary act and deed, and as the free and voluntary act and deed of such association, for the purposes and consideration therein expressed, in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 23rd day of March, 1992.



Sarah MacDonald-Smith
Notary Public in and for
the State of Texas

Sarah MacDonald-Smith
Printed Name of Notary

My Commission Expires: 8-15-92

OWNER'S CONSENT TO PLEDGE

The undersigned GLNX CORPORATION (hereinafter called "Owner"), whose address is 10077 Grogan's Mill Road, Suite 450, The Woodlands, Texas 77380 for value received, and for the purpose of enabling JAMES C. GRAVES LIVING TRUST and JAMES C. GRAVES (hereinafter called "Debtor"), whose address is 10077 Grogan's Mill Road, Suite 450, The Woodlands, Texas 77380, to obtain or maintain credit or other financial accommodations from BANK ONE, TEXAS, N.A. (hereinafter called "Secured Party"), whose address is 910 Travis, Houston, Texas 77002, hereby grants to Secured Party, and consents to Debtor's granting to Secured Party, a security interest in and a lien upon the Collateral (hereinafter defined) to secure payment of the Obligations (hereinafter defined), and in connection therewith, does hereby covenant, stipulate and agree as follows:

(1) As used herein, the term "Obligations" refers to and includes all liabilities and indebtedness of Debtor to Secured Party, pursuant to that certain promissory note ("Note") dated March 23, 1992, in the original principal amount of \$1,130,000.00 executed by Debtor payable to the order of Secured Party, bearing interest and being payable in the manner described therein, and all renewals and extensions thereof, together with all costs and expenses and attorney's fees and legal expenses which may be paid or incurred by Secured Party in connection with enforcing its security interest and lien hereunder or in connection with protecting, preserving, handling, dealing with, selling or otherwise disposing of or realizing upon the Collateral or its security interest and lien therein, and together with any and all renewals, rearrangements and extensions of any or all of the above described items of indebtedness or liability.

(2) Owner assigns, releases and transfers to Debtor, for the purpose of pledging, hypothecating and granting security interests in and liens upon the Collateral, all of Owner's right, title and interest therein and irrevocably authorizes and empowers Debtor to grant security interests in and liens upon the Collateral to Secured Party to secure payment of the Obligations, and any part thereof, upon such terms and conditions as Debtor may determine, it being stipulated that the Collateral shall be and become subject to disposition in accordance with the terms and conditions of any of the Obligations and any security agreement, assignment or other document of lien or encumbrance which may be executed by Debtor to Secured Party covering or pertaining to the Collateral and that the terms and provisions of any such Obligations or security agreement, assignment or other document of lien or encumbrance which may be executed by Debtor to Secured Party covering or pertaining to the

Collateral shall be fully binding upon Owner and upon the Collateral and such are hereby ratified, confirmed and adopted by Owner. The Owner authorizes the Secured Party to deliver all or any part of the Collateral or the proceeds thereof to or upon the order of the Debtor and to allow Debtor to use, sell, transfer and deal with the Collateral and proceeds thereof as though Debtor were the sole and absolute owner thereof.

(3) Owner specifically waives any notice of the creation, advancement, increase, existence, extension or renewal of, or of any indulgence with respect to the Obligations, and any part thereof, and of nonpayment thereof or default thereon, and waives demand, protest, presentment and notice of demand, protest, presentment and notice of intent to accelerate and notice of acceleration with respect to the Obligations, and waives notice of the amount of the Obligations outstanding at any time, and agrees that the maturity of the Obligations, and any part thereof, may be accelerated, extended, rearranged or renewed by Secured Party in its discretion or as may be agreed by Debtor without notice to or consent by Owner. Owner waives notice of acceptance of the Owner's Consent to Pledge by the Secured Party.

(4) Owner agrees that no renewal, rearrangement or extension of or any other indulgence with respect to the Obligations, or any part thereof, no release of any security for the Obligations, or of any part thereof, no release of Debtor or of any other person primarily or secondarily liable on the Obligations, or any part thereof (including any maker, endorser, guarantor, surety or other person), no delay in enforcement of payment of the Obligations, or any part thereof, and no delay or omission or lack of diligence or care in exercising any right or power with respect to the Obligations or any other security therefor or guaranty thereof or under this Owner's Consent to Pledge shall in any manner impair or affect the rights of Secured Party hereunder or under any security agreement, assignment or other document of lien or encumbrance executed by Debtor to Secured Party covering or pertaining to the Collateral. Owner specifically agrees that it shall not be necessary or required, and that Owner shall not be entitled to require, that Secured Party file suit or proceed to obtain or assert a claim for personal judgment against Debtor or that Secured Party proceed against or foreclose against or seek to realize upon any other security now or hereafter existing for the Obligations or file suit or proceed to obtain or assert a claim for personal judgment against any other party (whether maker, guarantor, endorser, surety or other person), obligated on the Obligations before, or as a condition of, or at any time after foreclosing upon or otherwise selling or disposing of or utilizing the Collateral for the purpose of paying the Obligations or any part thereof. Owner expressly waives any right to the benefit of or to require or control application of any other security or the proceeds of any

other security now existing or hereafter obtained by Secured Party as security for the Obligations, and agrees that Secured Party shall have no duty or obligation insofar as Owner is concerned to apply any monies, payments or other property at any time received by or paid to Secured Party upon any of the Obligations, except as Secured Party shall determine in its sole discretion.

(5) Owner represents and warrants to Secured Party that Owner is the lawful owner of the Collateral free and clear of all liens, security interests, claims, charges and encumbrances, except in favor of Secured Party, and that Owner has the full right and authority to deliver, pledge, assign and transfer ownership interest in the Collateral and to authorize, and make, the pledge, delivery, assignment and transfer herein contemplated.

(6) The authority herein granted by Owner shall remain in full force and effect until such time, if any, as written revocation of such authority is received by the Secured Party from Owner, but such revocation shall not affect or impair any rights of the Secured Party with respect to the Collateral as security for any Obligations incurred prior to receipt of such revocation; nor shall revocation by any Owner serve to revoke the authority herein granted by any other Owner.

(7) To the extent the Collateral is of a type not covered by the provisions of the Texas Business and Commerce Code, Owner does hereby assign, transfer and convey, and consents to Debtor's assigning, transferring and conveying, the Collateral to Secured Party as collateral security for the Obligations.

(8) Secured Party is given the right, at any time or times, in its discretion, to sign any counterpart, copy or reproduction of this Owner's Consent to Pledge signed by Owner and to file same as a financing statement signed by Owner as "debtor" under the Texas Business and Commerce Code. Secured Party may, if deemed necessary or desirable by Secured Party, at any time or times, file any carbon copy of, or photographic or other reproduction of this Owner's Consent to Pledge or any financing statement executed in connection with this Owner's Consent to Pledge as a financing statement.

(9) This Owner's Consent to Pledge shall be binding upon Owner and his heirs, legal representatives and assigns and upon his or its successors and assigns, and shall inure to the benefit of Secured Party and its successors and assigns. The rights and remedies of Secured Party hereunder are cumulative, and the exercise of any one or more of the remedies provided herein shall not be construed as a waiver of any of the other remedies of the Secured Party. The law governing this Owner's Consent to Pledge and the interpretation and construction thereof shall be that of

the State of Texas existing as of the date hereof; provided, that if any additional rights or remedies are hereafter granted to secured parties or lienholders by the laws of the State of Texas, the Secured Party shall also have and may exercise any such additional rights or remedies. Any provision found to be invalid under the laws of the State of Texas, or any other state having jurisdiction, shall be invalid only with respect to the offending provision. All words used herein shall be construed of such gender and number as the circumstances may require. If this Owner's Consent to Pledge is executed by more than one owner, then it can be executed in multiple original counterparts and the covenants, stipulations and agreements of all such owners shall be joint and several. Owner hereby waives any rights to marshalling of assets of the Debtor, including any such right with respect to the Collateral.

(10) It is further agreed that Owner shall immediately deliver any of the Collateral received by Owner to the Secured Party. As used herein, the term "Collateral" refers to and includes the following described property and any and all additions, accessions and substitutions therefor, together with all proceeds, monies, income, products and benefits attributable or accruing to said property or which Owner is or may become entitled to receive on account of said property, including, but not by way of limitation, premiums, redemption proceeds and other principal payments, all dividends and other distributions on or with respect to capital stock whether payable in cash, stock or other property, all other subscription rights and all proceeds of whatever kind, type, nature or description (including, without limitation, all equipment, inventory, accounts, general intangibles, chattel paper, money, instruments, documents, deposit accounts, certificates of deposits, securities and all proceeds of the foregoing):

Eight (8) railroad Cars described as follows:

CAR INIT	CAR NUMBER	TOT GALLON CAPACITY	SPECIFICATION	DESCRIPTION
GLNX	21031	20946	111A100W1	20.8M ICNI GP TANK
GLNX	21032	20941	111A100W1	20.8M ICNI GP TANK
GLNX	21033	20948	111A100W1	20.8M ICNI GP TANK
GLNX	21037	20935	111A100W1	20.8M ICNI GP TANK
GLNX	24000	23642	111A100W3	23.5M EC4FI GP TANK
GLNX	24001	23633	111A100W3	23.5M EC4FI GP TANK
GLNX	33305	33981	105J300W	34M GAL PRESSURE (HEAD BLOCK)
GLNX	34034	33611	105J300W	34M GAL PRESSURE (HEAD BLOCK)

EXECUTED and delivered on the 23RD day of March, 1992.

GLNX CORPORATION

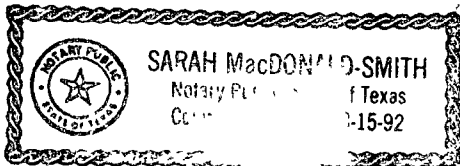
By:

James C. Graves
Name: JAMES C. GRAVES
Title: PRESIDENT

"Owner"

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on this the 23rd day of March, 1992, James C. Graves, President of GLNX CORPORATION, a Texas corporation, on behalf of said corporation.



Sarah MacDonald-Smith
Notary Public in and for
the State of Texas

Sarah MacDonald-Smith
Printed Name of Notary

My Commission Expires: 8-15-92

SCHEDULE A-1

Forty Eight (48) non-pressurized 23,500 gallon, general purpose Railroad Tank

CAR INIT	CAR NUMBER	TOT GALLON CAPACITY	SPECIFICATION	DESCRIPTION
GLNX	24130	23592	111A100W3	23.5M EC4FI GP TANK
GLNX	24131	23604	111A100W3	23.5M EC4FI GP TANK
GLNX	24132	23579	111A100W3	23.5M EC4FI GP TANK
GLNX	24133	23578	111A100W3	23.5M EC4FI GP TANK
GLNX	24134	23567	111A100W3	23.5M EC4FI GP TANK
GLNX	24135	23586	111A100W3	23.5M EC4FI GP TANK
GLNX	24136	23590	111A100W3	23.5M EC4FI GP TANK
GLNX	24137	23562	111A100W3	23.5M EC4FI GP TANK
GLNX	24138	23597	111A100W3	23.5M EC4FI GP TANK
GLNX	24139	23554	111A100W3	23.5M EC4FI GP TANK
GLNX	24140	23617	111A100W3	23.5M EC4FI GP TANK
GLNX	24141	23591	111A100W3	23.5M EC4FI GP TANK
GLNX	24142	23583	111A100W3	23.5M EC4FI GP TANK
GLNX	24143	23499	111A100W3	23.5M EC4FI GP TANK
GLNX	24144	23574	111A100W3	23.5M EC4FI GP TANK
GLNX	24145	23573	111A100W3	23.5M EC4FI GP TANK
GLNX	24146	23565	111A100W3	23.5M EC4FI GP TANK
GLNX	24147	23746	111A100W3	23.5M EC4FI GP TANK
GLNX	24148	23572	111A100W3	23.5M EC4FI GP TANK
GLNX	24150	23600	111A100W3	23.5M EC4FI GP TANK
GLNX	24151	23577	111A100W3	23.5M EC4FI GP TANK
GLNX	24152	23654	111A100W3	23.5M EC4FI GP TANK
GLNX	24153	23491	111A100W3	23.5M EC4FI GP TANK
GLNX	24154	23596	111A100W3	23.5M EC4FI GP TANK
GLNX	24155	23630	111A100W3	23.5M EC4FI GP TANK
GLNX	24156	23495	111A100W3	23.5M EC4FI GP TANK
GLNX	24157	23607	111A100W3	23.5M EC4FI GP TANK
GLNX	24158	23501	111A100W3	23.5M EC4FI GP TANK
GLNX	24159	23570	111A100W3	23.5M EC4FI GP TANK
GLNX	24160	23594	111A100W3	23.5M EC4FI GP TANK
GLNX	24162	23602	111A100W3	23.5M EC4FI GP TANK
GLNX	24163	23605	111A100W3	23.5M EC4FI GP TANK
GLNX	24164	23557	111A100W3	23.5M EC4FI GP TANK
GLNX	24165	23471	111A100W3	23.5M EC4FI GP TANK
GLNX	24166	23585	111A100W3	23.5M EC4FI GP TANK
GLNX	24167	23629	111A100W3	23.5M EC4FI GP TANK
GLNX	24168	23682	111A100W3	23.5M EC4FI GP TANK
GLNX	24169	23583	111A100W3	23.5M EC4FI GP TANK
GLNX	24170	23628	111A100W3	23.5M EC4FI GP TANK
GLNX	24171	23613	111A100W3	23.5M EC4FI GP TANK
GLNX	24172	23559	111A100W3	23.5M EC4FI GP TANK
GLNX	24173	23553	111A100W3	23.5M EC4FI GP TANK
GLNX	24174	23554	111A100W3	23.5M EC4FI GP TANK
GLNX	24175	23500	111A100W3	23.5M EC4FI GP TANK
GLNX	24176	23540	111A100W3	23.5M EC4FI GP TANK
GLNX	24177	23580	111A100W3	23.5M EC4FI GP TANK
GLNX	24178	23560	111A100W3	23.5M EC4FI GP TANK
GLNX	24179	23553	111A100W3	23.5M EC4FI GP TANK

The Forty Eight (48) cars are subject to the Management Agreement between the James C. Graves Living Trust and GLNX corporation effective as of the date of this Agreement.

SCHEDULE A-2

* Seventeen (17) railroad Cars described as follows:

CAR INIT	CAR NUMBER	TOT GALLON CAPACITY	SPECIFICATION	DESCRIPTION
ARGX	834033	5250	LO - 5250	100T HOP
ARGX	834065	5250	LO - 5250	100T HOP
ARGX	834076	5250	LO - 5250	100T HOP
ARGX	834091	5250	LO - 5250	100T HOP
ARGX	834101	5250	LO - 5250	100T HOP
ARGX	834103	5250	LO - 5250	100T HOP
ARGX	834118	5250	LO - 5250	100T HOP
GLNX	288	34046	105J300W	34M GAL PRESSURE (HEAD BLOCK)
GLNX	290	34032	105J300W	34M GAL PRESSURE (HEAD BLOCK)
GLNX	346	34022	105J300W	34M GAL PRESSURE (HEAD BLOCK)
GLNX	3560	23661	111A100W3	23.5M EC4FI GP TANK
GLNX	21049	20949	111A100W1	20.8M ICNI GP TANK
GLNX	32014	32776	112J340W	32.7M NI PRESSURE
GLNX	32500	34062	112J340W	34M GAL NI PRESSURE
GLNX	32505	34051	112J340W	34M GAL NI PRESSURE
GLNX	33504	33680	112J400W	34M PRESS TANK NI
GLNX	33506	33680	112J400W	34M PRESS TANK NI

The seven (7) ARGX cars are subject to the Management Agreement between the James C. Graves Living Trust and Associated Railcar, Inc. dated February 15, 1992.

The ten (10) GLNX cars are subject to the Management Agreement between the James C. Graves Living Trust and GLNX Corporation dated January 1, 1992.

SCHEDULE A-3

Eight (8) railroad Cars described as follows:

CAR INIT	CAR NUMBER	TOT GALLON CAPACITY	SPECIFICATION	DESCRIPTION
GLNX	21031	20946	111A100W1	20.8M ICNI GP TANK
GLNX	21032	20941	111A100W1	20.8M ICNI GP TANK
GLNX	21033	20948	111A100W1	20.8M ICNI GP TANK
GLNX	21037	20935	111A100W1	20.8M ICNI GP TANK
GLNX	24000	23642	111A100W3	23.5M EC4FI GP TANK
GLNX	24001	23633	111A100W3	23.5M EC4FI GP TANK
GLNX	33305	33981	105J300W	34M GAL PRESSURE (HEAD BLOCK)
GLNX	34034	33611	105J300W	34M GAL PRESSURE (HEAD BLOCK)